

Titling Tips

August 2005

Titling Tips is a quarterly publication of the Missouri Department of Revenue, Motor Vehicle Bureau, P.O. Box 100, Jefferson City, MO 65105-0100.

Special Edition - New Legislation

BUYING AND SELLING A VEHICLE WITHOUT A TITLE

Effective August 28, 2005, a new law allows a licensed dealer to buy and sell a motor vehicle without a title if the dealer follows the requirements outlined in the attached checklist. **This only applies if the seller's title has been lost, stolen, mutilated, or destroyed.** The purchase is subject to any liens that are perfected and not released. The dealer must also verify that the seller is the last titled owner. The department is developing a new Secure Power of Attorney form (DOR-5086) that complies with federal odometer disclosure regulations to simplify the process for the dealer and the customer. The new form will be available later this fall.

SUBMIT DEALER REPORTS ON TIME TO AVOID DISCIPLINE OR PENALTIES

Effective January 1, 2006, section 301.280, RSMo, provides that any dealer who fails to file the required dealer's monthly sales reports, or who fails to file them timely, shall be subject to disciplinary action as prescribed by section 301.562, RSMo, or a penalty may be assessed by the director not to exceed **\$300 per violation**. The law requires dealer sales reports to be submitted by the fifteenth day of the month following the month in which the sales are reported. If you have reports outstanding, please submit them as soon as possible.

E-FILE DEALER REPORTS OR COMPLETE A NOTICE OF SALE

Effective January 1, 2006, sections 301.196 through 301.198, RSMo, require the seller of a motor vehicle, trailer, or all-terrain vehicle to file a Notice of Sale (NOS) form with the department within 30 days of selling the unit. This law also applies to **retail** sales made by vehicle dealers.

The department is currently designing an NOS form for this purpose.

To satisfy the NOS reporting requirement, section 301.280, RSMo, provides that effective January 1, 2006, dealers **may** file their sales reports electronically in the format prescribed by the director in-lieu of filing NOS forms. For dealers who make more than 20 sales per month, electronic filing is **mandatory** beginning January 1, 2007.

The department is working with several dealer software vendors to establish the format for electronic filing and to make the process as painless as possible for dealers. If you use a dealer software vendor other than those listed below, please notify them of the new law and request they contact the department at mvbmail@dor.mo.gov to obtain a file layout and more information. The department also plans to have an Internet NOS filing option available to simplify the filing requirements for dealer. The department will provide additional information on the new law in the coming months at <http://www.dorx.mo.gov/mvdl/motorv/liendeal/>.

Dealer software vendors the department has contacted include:

Lightyear Dealer Technologies
Procede Software
Auto/Mate
Arkona
Reynolds and Reynolds
ADAM Systems
Autosoft-ASI
PBS systems
ADP Dealer Services
Systems 2000 Inc.
Dubuque Data Services
AIMDATA

DOR SIMPLIFIES REPOSSESSED TITLE REQUIREMENTS

The department has partnered with the legislature and lending associations to initiate a law change effective August 28, 2005 simplifying the Repossessed (repo) title process for **motor vehicles, trailers, and all-terrain vehicles (ATVs)**. The new law reduces the paperwork lienholders submit to the department to obtain a repo title and eliminates the department's 10-day notice requirement to the debtor and any subordinate lienholders on these units.

Effective August 28, 2005, all DOR **contract** offices will begin to accept repo title applications on motor vehicles, trailers, and ATVs. These applications may still be submitted to the Motor Vehicle Bureau, P.O. Box 1008, Jefferson City, MO 65105-1008.

To obtain a repo title under the new law, the lienholder must submit the documents/fee listed in the **checklist on page 4**. Please note that the lienholder no longer needs to submit a copy of their security agreement and proof of ownership for the unit with their application.

NOTE: Before making application, the lienholder must provide 10 days written notice to the owner and any other lienholders by first class mail, postage prepaid, of their intent to file for a repo title, or must obtain the written consent from all parties to repossess the unit. Lienholders may access the department's records online to ensure they have notified all interested parties of record. Applications for online access can be obtained at <http://www.dorx.mo.gov/mvdl/motorv/liendeal/>.

The new law does **not** change the repo title requirements for **manufactured homes, vessels and outboard motors (see page 4)**. These applications must continue to be processed by the **central** office.

LAW SIMPLIFIES REQUIREMENTS FOR OWNERS WHO RETAIN THEIR SALVAGE VEHICLE

Effective August 28, 2005, a new law provides that when a vehicle owner retains ownership of a salvaged vehicle upon payment of a total loss claim, the vehicle owner may obtain a **prior salvage** title if the vehicle is still operable by submitting the following to a contract license office:

- Application for Missouri Title and License (DOR-108) marked "Prior Salvage";
- Title for the vehicle;

- If the vehicle will be registered, an official safety inspection, less than 60 days old, or an ID/OD inspection if the vehicle will not be registered at this time (only applies if the vehicle is operable);
- A copy of the Notice of Vehicle Titling Requirements (DOR-5043); and
- A title fee of \$8.50 and a \$2.50 processing fee.

The vehicle owner is no longer required to first obtain a salvage title and a completed Vehicle Examination Certificate (DOR-551) from the Missouri State Highway Patrol when a vehicle is operable before obtaining a prior salvage title.

The Notice of Vehicle Titling Requirements (DOR-5043) has been revised to reflect these new changes to assist insurance companies in notifying claimants of the titling responsibilities. The form may be printed from the department's website at www.dor.mo.gov/mvdl/motorv/forms/.

STOLEN PLATES/TABS

Beginning August 28, 2005, section 301.301, RSMo, allows a vehicle owner to replace stolen license plates/tabs and receive up to two sets (total) per year at NO COST (the \$3.50 processing fee still applies) if one of the following documents is provided:

1. Affidavit from law enforcement signed by the police and notarized;
2. Copy of the MULES report; or
3. A copy of the police report.

According to 301.302, RSMo, law enforcement should not ticket a vehicle owner for missing license plate(s)/tab(s) if the owner indicates that the plate(s)/tab(s) have been stolen and a check on the vehicle registration shows that the vehicle is properly registered. A warning may be issued. If a ticket is issued in error, court costs will be waived.

DEALER ADVERTISEMENT DISCLOSURE

Effective August 28, 2005, section 301.567.2, RSMo, provides that if a dealer advertises by means of a broadcast or print media, the dealer may provide the disclaimers and disclosures relating to the advertised motor vehicle's price or financing options by reference to an Internet web page or toll-free telephone number containing the information required to be disclosed.

NOTARIZATION NO LONGER REQUIRED ON BILL OF SALE FOR SALES TAX CREDIT

Effective August 28, 2005, the law eliminates the notary requirement on bills of sale required to receive a vehicle sales tax credit. Vehicle owners

who purchase or contract to purchase a vehicle within 180 days of selling another vehicle are eligible for the sales tax credit. Bills of sale for major component parts required for titling rebuilt vehicles must still be notarized.

ABANDONED PROPERTY

Beginning August 28, 2005, section 304.155.1(a), RSMo, provides that a law enforcement officer within their jurisdiction may authorize a towing company to immediately remove an abandoned vehicle left on the right-of-way of any interstate highway or freeway in an urbanized area if the officer determines that the vehicle is a serious hazard to other motorists. Commercial motor vehicles hauling hazardous waste will not be towed until the owner or owner's representative has had a reasonable opportunity to contact a towing company of his or her choice.

Please note that the department will no longer require towers who apply for title on abandoned property to notify anyone listed in the tow report who is not shown in the department's records as an owner or lienholder.

TIRE AND LEAD-ACID BATTERY FEE

Starting October 1, 2005, Senate Bill 225 imposes a \$.50 fee on the retail sale of **new tires** and a \$.50 fee on the sale of **lead-acid batteries**. The tire fee applies to the retail sale of all new tires designed for use on trailers and self-propelled vehicles not operated exclusively on tracks. The battery fee applies to the retail sale of batteries that contain lead and sulfuric acid with a nominal voltage of at least six volts and are intended for use in motor vehicles and watercraft. For more information, please visit the following website:
www.dor.mo.gov/tax/business/tirebattery/

ACCESS DOR RECORDS ONLINE

By accessing <http://www.dorx.mo.gov/mvdl/motorv/liendeal/> dealers, lienholders, and other businesses that qualify under the Driver's Privacy Protection Act and are approved by the department may access the department's motor vehicle and marine title and lien records online. The online record search will check the department's title file, lien file, and reject file and provide the most recent record(s) in each file. The cost is \$1.25 per inquiry. If there is no record on file with the department, the \$1.25 is waived.

Go to www.dorx.mo.gov/mvdl/motorv/liendeal/ today to apply for your online account number and security access code!

CURRENT FORMS

Check the revision dates on your supply of the following forms to ensure you are using the most current forms available. Please destroy any forms with a date older than the revision date shown. You may order forms online at
www.dor.mo.gov/mvdl/motorv/forms/.

- Application for Missouri License and Title (DOR-108), revised 2-05;
- Application for Missouri License and Title (DOR-108A), revised 12-04;
- Application for Missouri Watercraft or Outboard Motor Title and Registration (DOR-93), revised 11-04;
- Notice of Lien or Lien Release (DOR-4809), revised 11-03; and
- Secure POA (DOR-3020s), revised 4-05.

Titling Tips

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Repo Titling Requirements for Motor Vehicles, Trailers and ATVs

(Applies to applications submitted on or after August 28, 2005)

- ☐ Application/Affidavit for Missouri Repossession Title (DOR-5005) completed in the lienholder's name, signed, and notarized;
- ☐ Notarized affidavit that indicates the lienholder certifies they have written consent from all owners and/or lienholders of record to repossess the unit or have provided all owners/lienholders a 10-day written notice by first class mail of the intent to repossess and the notice has expired; and

NOTE: The DOR-5005 is being revised to include this affidavit to further simplify the requirements. Until then, the General Affidavit (DOR-768) item 6 has been revised to meet this requirement and may be printed from the department's website at www.dor.mo.gov/mvdl/motorv/forms/.

- ☐ A \$10 title fee, \$5 quick title fee (if applicable), and a \$2.50 processing fee.

Repo Titling Requirements for Manufactured Homes, Vessels, and Outboard Motors

**(The department must provide a 10-day notice to
owners/lienholders of record)**

- ☐ Application for Missouri Watercraft or Outboard Motor Title and Registration (DOR-93) completed in the lienholder's name and signed;

NOTE: If repossessing a manufactured home, an Application/Affidavit for Missouri Repossession Title (DOR-5005) must be completed.

- ☐ Affidavit for Repossession/Mechanic Lien Title (DOR-1062) for vessels and outboard motors only, which must be completed, signed, and notarized. All persons shown as co-owners or co-signers on the security agreement or title must be listed on the DOR-1062.
- ☐ The original or legible copy of the front and back of the signed security agreement containing terms of repossession, year, make, and identification number and the signature of the debtor.
- ☐ A \$10 title fee, \$5 quick title fee (if applicable), and a \$2.50 processing fee.

NOTE: For vessels and outboard motors, applicable state and local taxes and title penalties are due if never paid by the debtor. For manufactured homes, taxes are due if never paid previously to the State of Missouri by the debtor or prior owner. Title penalties are due if the debtor never applied for title.

CHECKLIST FOR BUYING AND SELLING A MOTOR VEHICLE WITHOUT A TITLE

(This applies only when the seller's motor vehicle title has been lost, stolen, mutilated, or destroyed.)

Purchasing the vehicle without a title:

The dealer must receive from the seller:

- ☐ A signed sales contract;
- ☐ If mileage is required, a notarized POA to sign the application for duplicate title (unless the seller actually signs the application) and a secure POA (DOR-3020S) to assign the duplicate title.

Note: The seller and purchasing dealer may complete Section A of the department's new secure POA (DOR-5086) once it's available in lieu of the above forms. Section A will allow the dealer to sign and make the odometer disclosure on behalf of the seller on the first title assignment after the duplicate title is received.

If no mileage disclosure is required, a notarized POA may be used to both apply for the duplicate title and make the assignments for the seller once the duplicate title is received.

- ☐ Physical delivery of the vehicle.

NOTE: The purchase is subject to any liens that are perfected and not released. The dealer must also verify that the seller is the last titled owner.

Selling the vehicle without a title

The dealer must provide the purchaser:

- ☐ A signed sales contract;
- ☐ Proof the dealer acquired the vehicle from the last **titled** owner in the form of a DOR Internet record look-up screen print, other DOR record search, or a Car Fax search;
- ☐ A notarized lien release on the lienholder's letterhead or a Notice of Lien Release (DOR-4809) if applicable;
- ☐ An Internet or other DOR record showing no child support liens on the vehicle (See www.dort.mo.gov/mvdl/motorv/childlien/);
- ☐ A copy of the duplicate title application in the previous owner's name and a copy of the POA's the dealer received from the seller.

NOTE: The selling dealer and the purchaser must complete Section B of the secure POA (DOR-5086), once the new form is available, if the dealer is selling the motor vehicle prior to receipt of the duplicate title. Section B authorizes the dealer to sign on behalf of the purchaser and make the odometer disclosure on the second title assignment of the duplicate title.

NOTE: The purchaser may not make application for title until the dealer provides the assigned duplicate title and secure POA to him/her.

**CHECKLIST CONTINUED FOR BUYING AND SELLING A MOTOR VEHICLE
WITHOUT A TITLE**

Obtaining a duplicate title in the seller's name

The motor vehicle dealer must:

- ☐ Apply for the duplicate title in the name of the seller within five business days of purchase by submitting:
 - () A notarized duplicate title application, DOR 108 (*The Mail-To section must list the dealer's name/address.*);
 - () A notarized POA (*only required if the seller has not signed the application*);
 - The dealer may attach a completed **copy** of Section A of the new secure POA (5086) in lieu of the notarized POA once the new form is available.
 - () Notarized lien release documented on the lienholder's letterhead or the Notice of Lien Release, DOR 4809, if applicable.
 - () An \$8.50 title fee, \$5 quick fee, if applicable, and \$2.50 processing fee. It is recommended that the dealer request a quick title to expedite the duplicate title so the purchaser has time to apply for the title and the purchaser's temporary 30-day permit does not expire (if applicable).
- ☐ Assign and deliver the duplicate title with the secure POA attached (DOR 3020S or DOR 5086) to the purchaser within five business days of receipt (notarized POA is acceptable if no mileage disclosure is required);
 - () The dealer must complete the first assignment on the duplicate title signing as purchaser and signing on behalf of the seller as POA, using the odometer information and purchase date from the secure POA.
 - () The dealer must complete the second assignment as seller and obtain the signature and printed name of at least one of the purchasers for all vehicles subject to mileage disclosure. The date of the sales contract should be used as the purchase date.
 - The dealer cannot use a POA to sign for the purchaser on the second assignment unless the dealer had the purchaser complete the new secure POA, DOR 5086, Section B.

NOTE: If the new secure POA (DOR 5086) is used, the dealer must:

- ☐ Complete the first and second assignments on the duplicate title as authorized by sections A and B of the DOR 5086;
- ☐ Inspect the title to ensure the mileage on the duplicate title is consistent with what was recorded on the POA and complete Section C of the POA;
- ☐ Retain a copy of the DOR 5086 for their records; and
- ☐ Attach the original POA to the duplicate title when it is received and mail or deliver the documents to the purchaser to submit with their application for title.
- ☐ Obtain a written receipt from the purchaser upon physical delivery of the title or a postage prepaid, return receipt, if the title is mailed.